

**First Regular Session
Seventy-third General Assembly
STATE OF COLORADO**

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 21-0734.01 Sarah Lozano x3858

HOUSE BILL 21-1215

HOUSE SPONSORSHIP

Holtorf and Ortiz,

SENATE SPONSORSHIP

Hisey and Lee,

House Committees

Judiciary
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE EXPANSION OF THE JUSTICE REINVESTMENT CRIME**
102 **PREVENTION INITIATIVE, AND, IN CONNECTION THEREWITH,**
103 **CREATING A SMALL BUSINESS GRANT PROGRAM FOR FORMERLY**
104 **INCARCERATED PERSONS AND MAKING AN APPROPRIATION.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

The justice reinvestment crime prevention initiative (initiative), administered by the Colorado department of local affairs in the division of local government (department), incorporates programs that expand

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

small business lending and provide grants aimed at reducing crime and promoting community development in certain target communities. Effective October 1, 2021, the bill:

- Expands the initiative to a statewide program; and
- Adds a small business grant program for formerly incarcerated persons (program) to the initiative.

The bill requires the department to work with the Colorado department of corrections and the Colorado office of economic development in developing and implementing the program. The program shall include:

- A training program in business, finance, and entrepreneurship for formerly incarcerated persons;
- A small business grant for formerly incarcerated persons who have completed the training program and are selected by the department through a rigorous application process; and
- An ongoing consulting program in business, finance, and entrepreneurship for the selected grant recipients.

Selected grant recipients are eligible for the consulting program for at least one year from selection. The grants are funded from the general fund and are limited to no more than \$50,000 per selected grant recipient per year.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1. Legislative declaration.** (1) The general assembly
3 hereby finds and declares that:

4 (a) The justice reinvestment crime prevention initiative is a
5 community-led program that provides grants for direct services aimed at
6 reducing crime and recidivism as well as small business lending to
7 promote employment and community development in the target
8 communities of north Aurora and southeast Colorado Springs;

9 (b) This program is in its pilot phase, and preliminary data
10 indicates successful outcomes in both of the target communities;

11 (c) There are likely strategies that can demonstrate effectiveness
12 in both rural and urban settings, and there are also likely to be important
13 differences and distinctions, so this initiative would be more meaningful

1 and useful if it includes both rural and urban communities; and

2 (d) Therefore, there would be substantial benefit for the state to
3 expand the program to include the two rural communities of Grand
4 Junction and Trinidad, including surrounding unincorporated areas, in
5 order to design and effectuate community-based safety strategies and
6 services in a rural setting.

7 (2) The general assembly further finds and declares that:

8 (a) Approximately seventy-seven million Americans, or one in
9 three adults, have a criminal record and there is substantial empirical
10 evidence that having a criminal record is a barrier to employment;

11 (b) The National Conference of State Legislatures estimated that
12 the employment barriers faced by people with felony convictions were
13 associated with a reduction in the overall employment rate, amounting to
14 an estimated loss of at least 1.7 million workers from the workforce and
15 a cost of at least \$78 billion to the economy;

16 (c) These circumstances negatively impact the individual, his or
17 her family and community, and the state;

18 (d) Although there have been concerted efforts at both the policy
19 and direct service levels to help people with criminal records obtain
20 employment, little has been done specifically to provide training and
21 other support for those who are interested in starting their own business;
22 and

23 (e) Small business ownership is one of the ways to integrate
24 people fully into society and, if given training and assistance by local
25 nonprofit organizations, people who have previously been in the criminal
26 justice system would be in a better position to provide valuable services,
27 goods, and jobs to their communities and the state.

1 **SECTION 2.** In Colorado Revised Statutes, 24-32-120, **amend**
2 (1)(a), (1)(b)(I), (2)(b), (2)(c) introductory portion, (2)(c)(I), (2)(c)(II),
3 (2)(c)(V), (2)(c)(VI), (2)(d), (2)(e) introductory portion, (2)(f), (2)(i)(III),
4 (2)(i)(IV), and (3); and **add** (2)(c)(VII) and (2.5) as follows:

5 **24-32-120. Justice reinvestment crime prevention initiative -**
6 **program - rules - cash funds - reports - definitions - repeal.**

7 (1) (a) The division of local government shall administer the justice
8 reinvestment crime prevention initiative to expand small business lending
9 and provide grants aimed at reducing crime and promoting community
10 development in the target communities of north Aurora and southeast
11 Colorado Springs. **EFFECTIVE SEPTEMBER 1, 2021, THE TARGET**
12 **COMMUNITIES MUST ALSO INCLUDE THE GRAND JUNCTION AND TRINIDAD**
13 **AREAS, INCLUDING UNINCORPORATED AREAS OUTSIDE OF CITY LIMITS.**

14 (b) Subject to available appropriations, on and after August 10,
15 2017, the division shall develop and implement an initiative in
16 accordance with policies developed by the executive director specifically
17 designed to expand small business lending in the target communities
18 described in this subsection (1). An initiative developed and implemented
19 pursuant to subsection (1)(a) of this section shall include, but need not be
20 limited to, the following components:

21 (I) (A) On or before September 10, 2017, the division shall issue
22 a request for participation and select one or more nondepository
23 community development financial institution loan funds to participate in
24 the small business lending program described in this **subsection**
25 **SUBSECTION (1)(b)(I)(A);**

26 (B) **ON OR BEFORE SEPTEMBER 1, 2021, IF THE NONDEPOSITORY**
27 **COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION LOAN FUNDS**

1 CONTRACTED PURSUANT TO SUBSECTION (1)(b)(I)(A) OF THIS SECTION ARE
2 NOT ABLE TO ALSO EFFECTIVELY SERVE THE GRAND JUNCTION AND
3 TRINIDAD AREAS, INCLUDING UNINCORPORATED AREAS OUTSIDE OF THE
4 CITY LIMITS, THE DIVISION SHALL ISSUE A REQUEST FOR PARTICIPATION TO
5 SELECT ONE OR MORE ADDITIONAL DEPOSITORY COMMUNITY
6 DEVELOPMENT FINANCIAL INSTITUTION LOAN FUNDS TO SERVE THE GRAND
7 JUNCTION AND TRINIDAD AREAS, INCLUDING UNINCORPORATED AREAS
8 OUTSIDE OF THE CITY LIMITS.

9 (2) (b) (I) On or before September 10, 2017, the executive director
10 shall issue a request for participation and select a community foundation
11 or foundations to manage the grant program. To be eligible, the
12 community foundation must be registered in the state of Colorado and
13 have a history of grant-making in the target community in areas consistent
14 with the permissible uses of funding described in subsection (2)(e) of this
15 section. The division may select one community foundation to serve both
16 target communities or may select one community foundation for each
17 target community.

18 (II) ON OR BEFORE SEPTEMBER 1, 2021, IF THE COMMUNITY
19 FOUNDATIONS CONTRACTED PURSUANT TO SUBSECTION (2)(b)(I) OF THIS
20 SECTION ARE NOT ABLE TO ALSO EFFECTIVELY SERVE THE GRAND
21 JUNCTION AND TRINIDAD AREAS, INCLUDING UNINCORPORATED AREAS
22 OUTSIDE OF THE CITY LIMITS, THE DIVISION SHALL ISSUE A REQUEST FOR
23 PARTICIPATION AND SELECT ONE OR MORE COMMUNITY FOUNDATIONS OR
24 THIRD-PARTY GRANT ADMINISTRATORS AS DEFINED IN SECTION
25 25-20.5-801 (3)(a) TO MANAGE THE GRANT PROGRAM OR PROGRAMS FOR
26 THE GRAND JUNCTION AND TRINIDAD AREAS, INCLUDING
27 UNINCORPORATED AREAS OUTSIDE OF THE CITY LIMITS.

1 (c) The division shall execute a written agreement with ~~the~~ EACH
2 selected community foundation or ~~community foundations~~ THIRD-PARTY
3 GRANT ADMINISTRATOR that outlines ~~the~~ ITS roles and responsibilities, ~~of~~
4 ~~the community foundation. The roles and responsibilities~~ WHICH must
5 include:

6 (I) Developing a nomination process and governance policy for
7 the local crime prevention planning team. ~~subject to approval by the~~
8 ~~appropriate city council.~~ The community foundation OR THIRD-PARTY
9 GRANT ADMINISTRATOR shall ensure that the proposed local planning
10 team members represent a diverse cross-section with expertise in areas
11 like education, business, youth, families, nonprofit direct service, law
12 enforcement, local government, community, and residents of the target
13 communities, including those that have been directly impacted by crime
14 and involvement in the criminal justice system;

15 (II) Providing facilitation to the local crime prevention planning
16 team in ~~both Aurora and Colorado Springs~~ THE TARGET COMMUNITIES;

17 (V) ~~Contracting~~ IF THE AGREEMENT IS WITH A COMMUNITY
18 FOUNDATION, CONTRACTING with a third-party evaluator to assist each
19 local planning team to establish best practices with regard to data
20 collection and identifying appropriate performance and outcome measures
21 that measure outcome and impact of any funded crime prevention
22 projects, programs, or initiatives;

23 (VI) Collaborating with the office of state planning and budgeting
24 to provide information and research to local planning teams regarding
25 best practices and effective programs for community development and
26 crime prevention; AND

27 (VII) IF THE WRITTEN AGREEMENT IS WITH A THIRD-PARTY

1 ADMINISTRATOR, PERFORMING DATA COLLECTION, IDENTIFYING
2 APPROPRIATE PERFORMANCE AND OUTCOME MEASURES, PROVIDING
3 TECHNICAL ASSISTANCE, AND ASSISTING WITH GRANTEE CAPACITY
4 BUILDING.

5 (d) The division shall develop the procedures and timelines by
6 which ~~the~~ EACH selected community foundation or ~~community~~
7 ~~foundations~~ THIRD-PARTY GRANT ADMINISTRATOR will be provided
8 funding from the division for disbursement for the grant program.

9 (e) The permissible uses of any funding provided to ~~the~~ EACH
10 community foundation OR THIRD-PARTY GRANT ADMINISTRATOR shall
11 include programs, projects, or initiatives that are aimed at:

12 (f) (I) The division shall transfer to the community foundation OR
13 THIRD-PARTY GRANT ADMINISTRATOR within thirty days after execution
14 of the agreement described in subsection (2)(c) of this section the
15 administrative costs of the community foundation OR THIRD-PARTY
16 GRANT ADMINISTRATOR related to the performance of the roles and
17 responsibilities for managing the grant program. ~~which costs must not~~
18 ~~exceed four percent of the appropriation.~~

19 (II) IF THE COSTS DESCRIBED IN SUBSECTION (2)(f)(I) OF THIS
20 SECTION PERTAIN TO A COMMUNITY FOUNDATION, THE COSTS MAY NOT
21 EXCEED EIGHT PERCENT OF THE APPROPRIATION.

22 (III) IF THE COSTS DESCRIBED IN SUBSECTION (2)(f)(I) OF THIS
23 SECTION PERTAIN TO A THIRD-PARTY GRANT ADMINISTRATOR, THE COSTS
24 MAY NOT EXCEED FIFTEEN PERCENT OF THE APPROPRIATION TO COVER
25 BOTH THE GRANT PROGRAM MANAGEMENT RESPONSIBILITIES AND THE
26 ADDITIONAL RESPONSIBILITIES DESCRIBED IN SUBSECTION (2)(c)(VII) OF
27 THIS SECTION.

1 (i) (III) Money in the fund is continuously appropriated to the
2 department of local affairs for the grant program developed pursuant to
3 this subsection (2) AND (2.5).

4 (III.3) THERE IS HEREBY CREATED A SPECIAL ACCOUNT WITHIN THE
5 FUND TO BE KNOWN AS THE JUSTICE REINVESTMENT INITIATIVE EXPANSION
6 ACCOUNT. ON JUNE 30, 2021, THE STATE TREASURER SHALL TRANSFER
7 THREE MILLION FIVE HUNDRED THOUSAND DOLLARS FROM THE GENERAL
8 FUND TO THE ACCOUNT. MONEY IN THE ACCOUNT IS CONTINUOUSLY
9 APPROPRIATED TO THE DEPARTMENT TO BE USED BY THE DEPARTMENT AS
10 SET FORTH IN THIS SUBSECTION (2)(i)(III.3) AND SUBSECTION (2)(i)(III.5)
11 OF THIS SECTION. THE STATE TREASURER SHALL CREDIT ALL INTEREST AND
12 INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE
13 ACCOUNT TO THE ACCOUNT. IN STATE FISCAL YEAR 2021-22, THE
14 DEPARTMENT MAY USE ONE MILLION SEVEN HUNDRED FIFTY THOUSAND
15 DOLLARS IN THE ACCOUNT AS FOLLOWS:

16 (A) FORTY PERCENT FOR THE EXPANSION OF THE GRANT PROGRAM
17 TO INCLUDE GRAND JUNCTION, INCLUDING UNINCORPORATED AREAS
18 OUTSIDE OF THE CITY LIMITS, AS DESCRIBED IN THIS SUBSECTION (2) AND
19 RELATED ADMINISTRATIVE COSTS;

20 (B) TWENTY PERCENT FOR THE EXPANSION OF THE GRANT
21 PROGRAM TO INCLUDE TRINIDAD, INCLUDING UNINCORPORATED AREAS
22 OUTSIDE OF THE CITY LIMITS, AS DESCRIBED IN THIS SUBSECTION (2) AND
23 RELATED ADMINISTRATIVE COSTS; AND

24 (C) FORTY PERCENT FOR THE IMPLEMENTATION AND
25 ADMINISTRATION OF THE PROGRAM CREATED IN SUBSECTION (2.5) OF THIS
26 SECTION.

27 (D) THIS SUBSECTION (2)(i)(III.3) IS REPEALED, EFFECTIVE

1 SEPTEMBER 1, 2023.

2 (III.5) (A) IN STATE FISCAL YEAR 2022-23, THE DEPARTMENT MAY
3 USE ANY REMAINING MONEY IN THE ACCOUNT FOR THE SAME PURPOSES
4 AND IN THE PERCENTAGES SET FORTH IN SUBSECTION (2)(i)(III.3) OF THIS
5 SECTION. ON JULY 1, 2023, THE STATE TREASURER SHALL TRANSFER ANY
6 UNEXPENDED AND UNENCUMBERED MONEY REMAINING IN THE ACCOUNT
7 TO THE GENERAL FUND.

8 (B) THIS SUBSECTION (2)(i)(III.5) IS REPEALED, EFFECTIVE
9 SEPTEMBER 1, 2023.

10 (IV) The state treasurer shall transfer to the general fund all
11 unexpended and unencumbered money in the fund on ~~September 1, 2023~~
12 SEPTEMBER 1, 2026.

13 (2.5) (a) AS USED IN THIS SUBSECTION (2.5), UNLESS THE CONTEXT
14 OTHERWISE REQUIRES:

15 (I) "ELIGIBLE ENTITY" MEANS A NONPROFIT ORGANIZATION
16 REGISTERED AND IN GOOD STANDING WITH THE UNITED STATES INTERNAL
17 REVENUE SERVICE AND THE COLORADO SECRETARY OF STATE'S OFFICE.

18 (II) "GRANTEE" MEANS AN ELIGIBLE ENTITY SELECTED BY THE
19 DIVISION TO PARTICIPATE IN THE PROGRAM DESCRIBED IN SUBSECTION
20 (2.5)(b) OF THIS SECTION.

21 (III) "JUSTICE-SYSTEM-INVOLVED PERSON" MEANS A PERSON WHO
22 HAS PENDING CHARGES FOR A CRIMINAL OFFENSE OR DELINQUENT ACT OR
23 HAS BEEN CONVICTED OF, PLED GUILTY OR NOLO CONTENDERE,
24 PARTICIPATED IN A PRETRIAL DIVERSION PROGRAM, OR HAS RECEIVED A
25 DEFERRED SENTENCE FOR A CRIMINAL OFFENSE OR DELINQUENT ACT.
26 "JUSTICE-SYSTEM-INVOLVED PERSON" DOES NOT INCLUDE A PERSON WHO
27 IS CURRENTLY INCARCERATED.

1 (b) SUBJECT TO ANNUAL APPROPRIATIONS, ON OR BEFORE
2 SEPTEMBER 1, 2021, THE DIVISION SHALL ADMINISTER A STATEWIDE
3 PROGRAM TO PROVIDE GRANTS TO ELIGIBLE ENTITIES TO ESTABLISH
4 BUSINESS AND ENTREPRENEURSHIP TRAINING PROGRAMS FOR
5 JUSTICE-SYSTEM-INVOLVED PERSONS. THE PERMISSIBLE USES OF ANY
6 FUNDING PROVIDED TO AN ELIGIBLE ENTITY ARE PROJECTS, PROGRAMS,
7 AND INITIATIVES THAT ARE AIMED AT THE FOLLOWING:

8 (I) ASSESSING JUSTICE-SYSTEM-INVOLVED PERSONS TO DETERMINE
9 THEIR CURRENT LEVEL OF RELEVANT KNOWLEDGE, SKILL, AND READINESS
10 TO START OR EXPAND A BUSINESS;

11 (II) PROVIDING ENTREPRENEURSHIP AND RELEVANT BUSINESS
12 SKILLS TRAINING, INCLUDING CURRICULUM DEVELOPMENT OR
13 REASONABLE CURRICULUM USE FEES;

14 (III) ASSISTING JUSTICE-SYSTEM-INVOLVED PERSONS WHO ARE
15 PARTICIPATING IN OR GRADUATED FROM THE ENTREPRENEURSHIP
16 TRAINING PROGRAM WITH IDENTIFYING AND APPLYING FOR SMALL
17 BUSINESS LOANS OR OTHER INVESTMENT CAPITAL, WHICH MAY INCLUDE
18 ASSISTING IN THE DEVELOPMENT OF BUSINESS PLANS OR OTHER
19 DOCUMENTS THAT MAY BE REQUIRED BY A POTENTIAL LENDER;

20 (IV) GRANTS AWARDED ON AN ANNUAL BASIS NOT TO EXCEED
21 MORE THAN FIVE THOUSAND DOLLARS PER JUSTICE-SYSTEM-INVOLVED
22 PERSON PER YEAR THAT ARE INTENDED TO INCREASE TRAINING
23 PARTICIPATION OR GRADUATION, LOAN READINESS, ACCELERATE LOAN
24 REPAYMENT FOR HIGH PERFORMING BORROWERS, OR OTHER SIMILAR
25 PURPOSES, PROVIDED THAT A GRANT MAY NOT BE AWARDED TO A
26 JUSTICE-SYSTEM-INVOLVED PERSON FOR MORE THAN THREE YEARS; AND

27 (V) ONGOING TECHNICAL ASSISTANCE AND SOCIAL SUPPORT

1 SERVICES TO JUSTICE-SYSTEM-INVOLVED PERSONS WHO ARE
2 PARTICIPATING IN OR GRADUATED FROM THE ENTREPRENEURSHIP
3 TRAINING PROGRAM TO INCREASE LONG-TERM BUSINESS SUCCESS.

4 (c) THE DIVISION SHALL DEVELOP THE POLICIES, PROCEDURES, AND
5 TIMELINES TO IMPLEMENT THE PROGRAM DESCRIBED IN SUBSECTION
6 (2.5)(b) OF THIS SECTION, INCLUDING BUT NOT LIMITED TO THE
7 DEVELOPMENT OF GRANT GUIDELINES, APPLICATION AND REVIEW
8 PROCESSES, DATA COLLECTION, AND REPORTING REQUIREMENTS FOR
9 GRANTEES.

10 (d) ON OR BEFORE SEPTEMBER 1, 2021, THE DIVISION SHALL ISSUE
11 A REQUEST FOR PROPOSALS FROM ELIGIBLE ENTITIES. NOTWITHSTANDING
12 ANY LAW TO THE CONTRARY, AN ELIGIBLE ENTITY MAY IDENTIFY IN ITS
13 PROPOSAL A COLLABORATION THAT INCLUDES ANOTHER ELIGIBLE ENTITY
14 THAT WOULD RECEIVE SUBGRANTS TO PROVIDE SERVICES CONSISTENT
15 WITH THE PURPOSES SET FORTH IN THIS SUBSECTION (2.5).

16 (e) THE DIVISION SHALL AWARD GRANTS TO ELIGIBLE ENTITIES
17 THAT HAVE BEEN SELECTED TO PARTICIPATE IN THE PROGRAM NO LATER
18 THAN DECEMBER 1, 2021.

19 (f) THE GENERAL ASSEMBLY MAY APPROPRIATE MONEY FROM THE
20 GENERAL FUND OR FROM ANY OTHER AVAILABLE SOURCE TO THE DIVISION
21 FOR THE PURPOSES OF THIS SUBSECTION (2.5). THE DIVISION MAY SEEK,
22 ACCEPT, AND EXPEND GIFTS, GRANTS, OR DONATIONS FROM PRIVATE OR
23 PUBLIC SOURCES FOR THE PURPOSES OF THIS SUBSECTION (2.5).

24 (3) ~~Subsection (2)~~ SUBSECTIONS (2) AND (2.5) of this section and
25 this subsection (3) are repealed, effective ~~September 1, 2023~~ SEPTEMBER
26 1, 2026. Before such repeal, the department of regulatory agencies shall
27 review the justice reinvestment crime prevention initiative pursuant to

1 section 24-34-104.

2 **SECTION 3. Safety clause.** The general assembly hereby finds,
3 determines, and declares that this act is necessary for the immediate
4 preservation of the public peace, health, or safety.